



State of California

Employment Training Panel

Arnold Schwarzenegger, Governor

March 5, 2008

Todd Gellerman, Director, Human Resources
Power Paragon, Inc.
901 E. Ball Road
Anaheim, CA 92805

Dear Mr. Gellerman:

RE: FINAL MONITORING VISIT REPORT for Power Paragon, Inc. (Power Paragon) – ET06-0239

Date of the Visit:	02/01/08
Beginning/Ending Time:	2:00 p.m. – 3:00 p.m.
Date of Last Visit:	08/09/07
Visit Location:	Via Telephone
Persons in attendance:	Todd Gellerman, Director, Human Resources, Power Paragon; Jeanjira Mounivong, Administrative Analyst, Power Paragon, and Carole Robinson, ETP Contract Analyst.
Action Required:	No

CONTRACT INFORMATION:

Term of Agreement:	02/07/06 – 02/06/08	Agreement Amount:	\$200,772
Training Start Date:	04/03/06	No. to Retain:	143
Date Training must be Completed:	11/0/07	Range of Hours:	24 -200
Type of Trainee:	Retrainee	Weighted Ave. Hours:	108

FINAL REPORT SUMMARY:

• HISTORY OF AGREEMENT CHANGES

The Agreement was executed on 03/14/06 and training began on 04/03/06. Ms. Mounivong reported that all training was completed on 04/10/07, which allows for the 90-day retention period to be completed within the term ending date of the Agreement (02/06/08).

Power Paragon did not request any Revisions during the term of this Agreement.

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ETP (05/16/07)

- **INTERVIEW WITH COMPANY REPRESENTATIVE**

You reported that the company did not experience any problems with administration and delivery of training during the first year of this Agreement. All planned Lean Manufacturing training for Power Paragon's Gardena facility was completed by November 2006. Although Class/lab training began on 04/07/06 for the Anaheim facility, it was suspended in 04/07 due to customer orders that effectively doubled the company's production demands. Completion of these orders took precedence over any planned training activities for company employees. Training was expected to resume in 09/07 when Power Paragon anticipated production would be caught up with outstanding orders for its products. However, incoming orders continued to come in at a high rate and the company was unable to release employees to participate in Class/lab training. As a result, Power Paragon did not complete as many hours of Class/lab training as originally planned during development of this Agreement.

You stated that even though planned training was curtailed due to production demands, the company has experienced a dramatic increase in product quality over the last two year and now leads in division standards. You informed Ms. Robinson that product quality was "off the chart" as a direct result of improvement in soldering skills through ETP funded training in IPC standards (soldering techniques). In addition, the Anaheim facility has become a "center of excellence" within the L 3 Communications group as a result of its training efforts for production workers in Manufacturing Skills. You reported that another ETP Agreement may be pursued in the future to support Power Paragon's policy to promote from within and expand its internal training efforts to further improve the production skills of its employees. However, the company remains too busy keeping up with its production demands to release employees for training purposes.

Ms. Mounivong reported that she assumed responsibility as Power Paragon's ETP coordinator in 03/07. She stated that she had to rely on Ms. Robinson to provide general information concerning the ETP Agreement that included training on the use of ETP's On-line Forms and Tracking websites for Enrollment, Invoicing, and tracking of Class/lab hours. Ms. Mounivong stated that, at times, it was difficult to take time from her other duties to audit ETP records for accuracy. She requested that Ms. Robinson unlock the ETP On-line Tracking System to allow her to delete training hours incorrectly entered by Power Paragon's previous ETP administrator. Subsequent to this interview, she reported that she has entered all Class/lab hours and the records have been corrected to delete incorrect hours documented in the Tracking System.

Current information indicates that the company has 4, 619 hours of Class/lab training completed for 113 retrainees who completed at least 24 hours of training. According to ETP's Online Tracking System, Power Paragon will retain 79% of planned retentions. The company will be eligible for a total reimbursement of \$60,515 (30% of the ETP encumbered funds) if all other conditions of ETP eligibility are met. ETP records, as of the date of this visit, show that Power Paragon⁴ has received \$42,211 in Progress Payments of which \$13,000 is considered earned and \$29,211 is unearned Progress Payments. Ms. Mounivong stated that the company will be submitting a closeout invoice no later than 03/06/08.

The following chart shows the projected statistics by job number.

PROJECT STATUS PROVIDED BY THE CONTRACTOR:

Job Number	Number Started Training	Number Enrolled in Training	Number of Trainees Dropped (following enrollment)	Number of Trainees Completed Minimum Hours	Number of Trainees Completed all Training (in Retention)	Number of Trainees Completed Retention
1	124	124	6	113	0	113

* ETP records indicate 119 retrainees have recorded Class/lab hours and 113 met the minimum number of Class/lab hours (24 hours) for this Agreement.

ATTENDANCE ROSTERS/INVOICES/ TRAINING TRACKING RECORDS:

Ms. Robinson reviewed class/lab attendance rosters for seven randomly selected trainees who are enrolled in Job 1. She compared the rosters to the Agreement's Curriculum and checked to ensure that each roster contained the necessary information required by ETP, under Title 22, California Code of Regulations, 4442. In addition, she compared the number of training hours in Power Paragon's tracking records for the seven retrainees selected with the number of training hours documented on the applicable Class/lab Rosters and Invoice number 4 for Progress Payment 1 (Enrollment).

Ms. Robinson found that the records reviewed for the seven selected retrainees contained the necessary information required by ETP and the Class topics matched those contained in the Agreement's Curriculum. The review of the above sample also verified that the hours reported in Power Paragon's ETP tracking records matched those contained within the applicable Class/lab Rosters and Invoice number 4 for Progress Payment 1 (Enrollment).

SUBAGREEMENTS:

All Class/lab training for this Agreement was performed by in-house trainers (employees of Power Paragon).

AUDIT:

Power Paragon will be notified in writing if this agreement is selected for an audit that will be conducted either at your site (field audit) or by telephone if selected for a desk audit (or "review"). These notifications will be sent in advance to allow ample preparation time and will include a list of documentation that will be examined by the auditor. A list of the documentation typically examined during an audit will be included along with the Audit Notification and Audit confirmation letters. To provide support of training, original training attendance documentation is required; photocopied records are not acceptable.

Listed below are types of records typically requested during an ETP field audit:

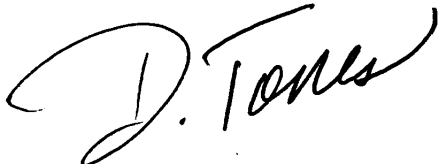
- Training attendance records such as rosters, sign-in sheets, etc.
- Payroll records of individual trainees to verify wage and hours worked
- Personnel records regarding occupation and dates of employment
- Documentation of employer paid health benefits (if applicable)
- Cash receipts to verify receipt and accounting of ETP funds

RECORD RETENTION:

Ms. Robinson informed you that original records must be retained within your control and be available for review at your place of business within the State of California. This responsibility will terminate no sooner than four (4) years from the date of the termination of the Agreement or three (3) years from the date of the last payment by ETP to the Contractor, or the date of resolution of appeals, audits, claims, exceptions, or litigation, whichever is later.

If you have any questions or comments regarding the information contained in this letter, please contact Carole Robinson at (619) 686-4971, within ten (10) working days from the receipt date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Torres".

Diana Torres, Manager
San Diego Field Office

A handwritten signature in black ink, appearing to read "Carole Robinson".

Carole Robinson, Contract Analyst
San Diego Field Office

cc: Kulbir Mayall, Manager, ETP Fiscal
Master File
SD Project File

Date report e-mailed to Contractor 03/05/08